

LEGISLATIVE UPDATE

March 8, 2013 | Day 54 of the 105-day legislative session

PugetSoundPartnership

LEADING PUGET SOUND RECOVERY

The Legislative Update is a frequent report distributed throughout the legislative session. Each edition includes an update of legislative activities, as well as a list of specific legislative meetings of interest to the Partnership and our partners. Copies of bills can be found on the Legislature's website at www.leg.wa.gov.

This week we reached the halfway point of the 2013 regular legislative session. It's been a busy time with 1,130 bills introduced in the House and 1,037 introduced in the Senate. We appreciate everyone who is helping to identify, analyze and communicate with legislators about legislation impacting the health of Puget Sound.

The next cutoff deadline is March 13, when all bills must advance from the one chamber to the other. Floor debates will continue around the clock in the House and Senate. You can watch the action online at www.tvw.org. Next, policy hearings will resume as the House and Senate considers the legislation the other chamber has adopted. Budget discussions will also intensify after the first proposal from the Senate is released sometime after March 20.

State budget and Puget Sound priorities

House and Senate budget writers are preparing to release a budget after what is anticipated to be a gloomy revenue forecast on March 20. Federal sequestration and an increase in the caseload forecast could exacerbate the state's budget problem, making it even more difficult for legislators to reach agreement on a biennial budget.

The Partnership and our many partner organizations continue educating legislators about the highest-priority investments necessary for Puget Sound recovery. We are working with members on [Senate Ways & Means](#), [House Appropriations Subcommittee on General Government](#), [House Appropriations](#), and [House Capital Budget committees](#). In addition to Puget Sound priorities, we are emphasizing the findings from a recent NOAA study which states that watershed restoration projects generate more jobs than other types of capital projects—33 jobs per \$1 million invested—strengthening the health of our economy and ecosystem.

Several local partners are also contacting their Senators and Representatives, and it is making a big difference. Legislators love to hear from their constituents. If you are heading to Olympia, we can provide you with information about the programs and priorities that best protect and restore Puget Sound. Fact sheets are also available for the following priorities:

- **Levee vegetation, floodplain restoration:** \$635,000 to leverage local, and federal funding for two watershed pilot demonstration projects in King and Whatcom counties. This investment will help prioritize

2013 SESSION AT A GLANCE

Length: 105 days. If necessary, the Governor can call for a 30-day special session. Legislators can call themselves into special session with a two-thirds vote.

Next Cutoff: March 13, Last day to consider bills in house of origin (5 p.m.)

Information:

- For up-to-date legislative information, visit: www.leg.wa.gov
- To watch or listen to a legislative hearing, visit: www.tvw.org
- For both current and previous copies of the Legislative Update, visit: www.psp.wa.gov

Communication and Coordination:

If you are planning to testify on a bill, meet with legislators, or would like assistance with state legislative issues regarding Puget Sound priorities—please contact:

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and guide the development of capital projects focused on protecting people, property and habitat by reducing flood risk and restoring floodplain habitat functions. (*Operating Budget - Puget Sound Partnership*)

- **Steelhead recovery planning:** \$800,000 to help identify the major threats that are reducing juvenile steelhead marine survival rates and \$1.2 million to develop steelhead recovery plans for 12 local watersheds that lack recovery plans. (*Operating Budget - Puget Sound Partnership*)
- **Puget Sound Acquisition & Restoration fund and Salmon Recovery Funding Board:** \$80 million to fund the most important, science-based, locally prioritized projects to restore Puget Sound habitat. Salmon recovery grants help replace barriers to fish migration, replant stream banks and remove dikes and levees, as well as create and purchase pristine habitat. Project sponsors are required contribute to the cost of the program — leveraging local and state investments. (*Capital Budget - Recreation and Conservation Office*)
- **Puget Sound Estuary & Salmon Restoration Program:** \$10 million to provide funding and technical assistance for restoration and protection of Puget Sound beaches, bays and river deltas. This program leads to healthy habitat for salmon by ensuring that shorelines are intact, functioning naturally and resilient to climate change. (*Capital Budget - Recreation and Conservation Office*)

Sequestration and the state budget

The \$85 billion in budget cuts brought on by federal government sequestration could result in an estimated \$500 million loss to Washington's state budget. The Partnership's unique role for oversight and accountability for all Puget Sound tax dollars is more important now than ever before. The alignment, prioritization and oversight of more than 750 organizations is necessary for helping legislators make fiscally responsible investments for Puget Sound and keeping our state eligible for federal funding through the National Estuary Program.

We await final word from federal agency partners on how the across-the-board sequestration budget cuts will affect federal fiscal year 2013 funding decisions. We expect to receive an update with more clarity in the coming months. Meanwhile, funding decisions at federal agencies have been paused until they learn what their final 2013 budget levels will be and if they will have discretion in how to allocate the budget cuts after the current and soon-to-expire Continuing Resolution is extended.

Meanwhile, members of Congress are working to prevent a government shutdown. The federal government is currently funded under a Continuing Resolution that expires March 27. On March 6, the House passed a stop-gap extension for funding that would end Sept. 30, 2013. The Senate is expected to act on its version of the Continuing Resolution in the coming week that will likely include amendments to lessen the impacts of sequestration and be enacted in time to preclude a government shutdown.

Federal budget, 2014

Typically at this time of year, the Partnership and our many partners are supporting and responding to the President's Budget, which is normally released the first Monday in February. However, due to the inability of Congress and the Administration to come to an accord on numerous budget issues, the President's Budget for 2014 has not been released. We will continue to keep our partners informed and will highlight the priority programs necessary for Puget Sound's recovery. If you are heading to Washington, D.C., we can provide you with information about federal programs and priorities that best protect and restore Puget Sound. External Affairs Director Lisa Bellefond is the Partnership's go-to person for all things federal and we encourage you to connect with her at lisa.bellefond@psp.wa.gov.

Climate change

Conversations about climate change are heating up in the Legislature. Gov. Inslee has request legislation in the House and Senate, which we highlight below, and on Friday the House Capital Budget Committee held a work session about the potential budget impacts of climate change. The committee chair, Rep. Hans Dunshee, focused the discussion on the "rising temperature on our dollars and what climate change could cost us." The work session focused on the use of taxpayer dollars to respond to impacts of flooding, drought, forest fires, fish and wildlife habitat, and water resources. Presenters included the Climate Impacts Group from the University of Washington, State Forester from the Department of Natural Resources, and representatives from the Department of Ecology and Department of Fish & Wildlife. The work session is available on TVW at: http://www.tvw.org/index.php?option=com_tvwplayer&eventID=2013031012

Legislation pertinent to Puget Sound

SHELLFISH

Greenhouse gasses: On Tuesday the House Environment Committee held a public hearing on Gov. Inslee's request legislation, [House Bill 1915](#), to develop recommendations to achieve the state's greenhouse gas emissions targets. The bill authorizes the establishment of a credible evaluation of approaches to effectively reduce greenhouse gas emissions and also creates the climate legislative and executive work group to recommend a state program of actions, policies and investment to reduce greenhouse gas emissions. Gov. Inslee testified on his proposed legislation, emphasizing how Washington could lead the world in clean energy and magnify our economy. Several partners spoke in support of the bill including the Washington Environmental Council, Department of Health, Taylor Shellfish Farms and the Coalition to Protect Puget Sound Habitat. Our partners from the business community testified with concerns. Click the link below to watch the hearing on TVW: http://www.tvw.org/index.php?option=com_tvwplayer&eventID=2013031012

The companion bill in the Senate, [Substitute Senate Bill 5802](#), is still in the Rules Committee and has experienced several changes, including a substitute version from the Policy Committee and additional amendments in the Senate Ways & Means Committee to remove the emergency clause and reduce available funding.

Coastal Marine Advisory Council: Sen. Hatfield's legislation establishing the Washington Coastal Marine Advisory Council, [Senate Bill 5603](#), is in the Senate Rules Committee. The legislation would create the Council to serve as a forum for communication on state, local and tribal policies regarding coastal waters issues, such as resource management, fisheries, shellfish aquaculture and ocean energy. The Council would also provide recommendations on a variety of specific coastal management and funding issues. A vote on the Senate floor is anticipated early next week. Work continues behind the scenes to add language to incorporate the recommendations from the recently published ocean acidification report and Sen. Ranker's bill, which did not survive the policy cutoff deadline.

HABITAT

Landowner liability: Rep. Stanford's legislation, [House Bill 1194](#), to limit landowner liability for habitat projects, passed the House 75-22 and is now headed to the Senate. The Partnership supports this legislation and congratulates everyone working together to keep this bill moving forward. A public hearing in the Senate has not yet been scheduled. Please stay tuned.

Conservation easements: Rep. Sawyer's legislation allowing tribes to hold conservation easements, [House Bill 1277](#), passed the House on a 75-22 vote and is awaiting a public hearing in the Senate Natural Resources & Parks Committee. Protecting habitat is a top priority in the Puget Sound Action Agenda and a major focus for our tribal partners. The Partnership supports this legislation.

Restricting designated agricultural land: Sen. Hobbs' legislation requiring any public entity owning designated agricultural land to maintain that land for future agricultural use, [Senate Bill 5276](#), has advanced to the Senate Rules Committee where we hope it remains. The Partnership opposes this bill because it hinders the ongoing collaboration between public and private landowners working together to protect the most viable agricultural land and implement the highest-priority habitat restoration projects in Puget Sound watersheds.

Aquatic invasive species: Sen. Honeyford's legislation concerning aquatic invasive species, [Senate Bill 5702](#), advanced to second reading in the Rules Committee. This legislation specifies that transporting a recreational or commercial watercraft into the state without meeting valid documentation requirements is an aquatic invasive species infraction. It also repeals the Aquatic Nuisance Species Committee. The Partnership, Invasive Species Council, Ports Association and NW Marine Trade Association all support this legislation.

Limiting public access: Sen. Ericksen's legislation regarding public access on lands acquired in whole or part with public funds, [Senate Bill 5057](#), advanced to second reading in the Rules Committee. The original bill prohibited nonprofits from restricting public access, which was problematic because sometimes it's best to restrict access in order to protect critical habitats, avoid liability, protect cultural resources, and honor the requests of adjacent landowners. A substitute proposal has been adopted, which requires all funds appropriated to state agencies for land acquisitions to "generally ensure" regular public access for outdoor recreation purposes. State agencies may limit access based on statutory conditions of a funding program and to address specified risks to cultural resources, natural resources, or adjacent landowners.

Agricultural economy: Rep. Lytton’s legislation to make investments aimed at returning under-producing land back into a state of active agricultural production, [House Bill 1188](#), advanced to second reading in the Rules Committee. The legislation would create a program designed to return underused agricultural land in Western Washington back into a state of production by fostering connections among landowners, potential growers, and purchasers. The Partnership supports this legislation. Preserving working farmlands and preventing conversion to more intense uses is a priority in the Puget Sound Action Agenda.

Water rights: Sen. Ericksen’s legislation regarding de facto changes in water rights for irrigation purposes, [Senate Bill 5199](#), passed the Senate on a 39-7 vote. The substitute bill requires Ecology to initiate a process to allow water right holders to change the current status of water rights currently put to a different place of use only if certain conditions are met. The bill received support from the Washington Farm Bureau and Whatcom Farm Friends. The Washington Environmental Council and Lummi Nation voiced strong opposition, while the Cattlemen’s Association, Department of Ecology and Yakima Nation expressed concerns. The conversation will continue as the bill moves to the House.

TOXICS

Derelict vessels: Rep. Hansen’s derelict vessel legislation, [Substitute House Bill 1245](#), was voted out of the House on a 96-1 vote. The bill was amended to remove the sections that created new liabilities for marinas and called for an interim study to consider new approaches for identifying and policing derelict vessels. Sen. Pearson’s derelict vessel legislation, [Substitute Senate Bill 5663](#), was also amended to be more similar to the House version and was voted out of the Senate on a 45-4 vote. The Partnership continues to support both bills, which provide proactive policy changes to prevent derelict vessels. However, we continue advocating for the Derelict Vessel Removal Program to have the funding necessary to expedite the removal of the more than 230 older, larger, more expensive ships.

Model Toxics Control Account (MTCA): Both MTCA reform bills, [Senate Bill 5296](#) sponsored by Sen. Ericksen, and [Senate Bill 5201](#) sponsored by Sen. Ranker, are in a holding pattern waiting to be part of the broader budgeting conversation in the Senate Ways & Means Committee. The use of MTCA is a hot topic this legislative session and will intensify with budget negotiations. Two primary issues are at hand:

- Prioritizing the use of funding; and
- Using MTCA funding for purposes specified in the State General Fund.

Regarding prioritization, the Partnership supports the intent of both bills to prioritize and expedite funding to cleanup polluted sites. We strongly support [Senate Bill 5201](#) and continue to have concerns about how investments would be allocated and managed under the new paradigm proposed in [Senate Bill 5201](#). Instead, we strongly support a comprehensive, interim review of MTCA funds to advance the highest priorities and most cost-effective strategies to protect and cleanup Puget Sound.

Regarding fund transfers, in the past four years approximately \$230 million of surplus revenues have been transferred from the Model Toxics Control Account (MTCA) to the State General Fund—diverting funds from the original purpose of the account. This year, Gov. Gregoire’s proposed budget uses \$24 million from the State Toxics Control Account on a one-time basis to pay for General Fund activities related to

improving air quality, water quality, environmental assessment, and shoreline protection. Legislators have some very difficult decisions to make about how to fill the \$2 billion shortfall and continue investing in the top priorities of our state. You can learn more about this important topic by watching the MTCA work session in the House Appropriations Subcommittee on General Government: http://www.tvw.org/index.php?option=com_tvwplayer&eventID=2013011107#start=2510&stop=4248

ECONOMIC DEVELOPMENT

Urban economic revitalization: A substitute version of Rep. Appleton’s legislation to provide for community economic revitalization in incorporated areas, [House Bill 1648](#), passed the House on an 89-8 vote. The bill authorizes loans for municipalities to finance public facilities improvements that encourage revitalization of vacant and abandoned properties in incorporated areas. The Partnership, cities, and Puget Sound Regional Council support this legislation. We congratulate everyone working together to keep this legislation moving forward.

Projects of statewide significance: Sen. Hobbs’ legislation concerning projects of statewide significance, [Senate Bill 5805](#), advanced to second reading in the Rules Committee. This bill would allow private development projects that invest in the basic commodities of transportation, energy development, conservation, or efficiency may be designated as projects of statewide significance, which aims to expedite and streamline project development. The bill also reduces the job creation requirements and changes the requirements for a comprehensive review and application process. The legislation is controversial because the Cherry Point coal train and the Jefferson County “pit to pier” gravel mine project in Hood Canal are two projects that would potentially benefit from this legislation, which has many stakeholders concerned. Several amendments have been prepared, two of which remove the Cherry Point and Pit to Pier projects, and another that restricts projects from being considered as a project of statewide significance if it conflicts with the goals and objectives of the Puget Sound Action Agenda and the state’s greenhouse gas emission reduction targets.

Upcoming legislative hearings

Monday, March 11

8 a.m. House Appropriations Subcommittee on General Government; Public Hearing and Executive Session:
[House Bill 1915](#) - Developing recommendations to achieve the state's greenhouse gas emissions limits.

Thursday, March 14

1:30 p.m. House Energy, Environment & Telecommunications; Public Hearing:
[House Bill 1113](#) - Concerning standards for the use of science to support public policy.

1:30 p.m. Senate Agriculture & Natural Resource; Public Hearing:
[Substitute Senate bill 5634](#) - Clarifying the Department of Natural Resources' authority to enter into cooperative agreements.

1:30 p.m. Senate Natural Resources & Parks; Public Hearing:

- [Substitute House Bill 1071](#) - Regarding state and private partnerships for managing salmonid hatcheries.
- [Substitute House Bill 1200](#) - Concerning the labeling of seafood.
- [Substitute House Bill 1244](#) - Clarifying the Department of Natural Resources' authority to enter into cooperative agreements.

Friday, March 15

8 a.m. House Finance; Public Hearing:

- [House Bill 1971](#) - Concerning communications services reform.
- [Senate Bill 5593](#) - Concerning filing requirements for property tax exemption claims for certain improvements to benefit fish and wildlife habitat, water quality, or water quantity.

Bill	Comp. Bills	Title	Latest Cmte Mtg Info	Status	Sponsor
KEY LEGISLATION FOR PUGET SOUND					
SHB 1127		Prefire mitigation plans	Jan 30 Executive action taken in the House Committee on Public Safety at 1:30 PM.	H Approps	Klippert
SHB 1188		Underproducing ag land	Feb 23 Public hearing and executive action taken in the House Appropriations Subcommittee on General Government at 9:00 AM.	H 2nd Reading	Lytton
HB 1194		Habitat project liability	Feb 5 Executive action taken in the House Committee on Judiciary at 10:00 AM.	H 2nd Reading	Stanford
SHB 1245		Derelict & abandoned vessels	Feb 23 Public hearing and executive action taken in the House Appropriations Subcommittee on General Government at 9:00 AM.	H 2nd Reading	Hansen
HB 1275	SB 5788	Wastewater discharge fees	Feb 21 Executive action taken in the House Committee on Environment at 10:00 AM.	H Approps	Hunt
HB 1277		Conservation easemnts/tribes	Feb 5 Executive action taken in the House Committee on Community Development and Housing & Tribal Affairs at 10:00 AM.	S Natural Resourc	Sawyer
ESHB 1294	SB 5181	Flame retardants	Feb 23 Public hearing and executive action taken in the House Appropriations Subcommittee on General Government at 9:00 AM.	H Passed 3rd	Van De Wege
SHB 1350		Growth and water resources	Feb 21 Executive action taken in the House Committee on Agriculture & Natural Resources at 1:30 PM.	H Apps Gen Govt	Chandler
ESHB 1364	SB 5457	Small rechargeable batteries	Feb 23 Public hearing and executive action taken in the House Appropriations Subcommittee on General Government at 9:00 AM.	H Passed 3rd	Tharinger
HB 1384		Natural resources management		H Govt Acct & Ove	Orcutt
SHB 1401	SB 5399	Growth mgmt act/ penalties	Feb 21 Executive action taken in the House Committee on Local Government at 8:00 AM.	H 2nd Reading	Fitzgibbon
HB 1570	SB 5593	Property tx exemption claims	Feb 19 Executive action taken in the House Committee on Finance at 6:00 PM.	S Natural Resourc	Kretz
SHB 1591	SB 5679	Agency rule review process	Feb 21 Executive action taken in the House Committee on Government Operations & Elections at 10:00 AM.	H Approps	Smith
2SHB 1648		Cmty economic revitalization	Feb 26 Executive action taken in the House Committee on Capital Budget at 8:00 AM.	H Rules R	Appleton
SHB 1717		Up-front enviro planning	Feb 22 Executive action taken in the House Committee on Local Government at 1:30 PM.	H 2nd Reading	Fitzgibbon
SHB 1894		Shellfish aquaculture	Feb 21 Executive action taken in the House Committee on Agriculture & Natural Resources at 1:30 PM.	H Approps	Seaquist
HB 1924		Watershed planning grants	Feb 25 Public hearing, executive session scheduled, but no action was taken in the House Appropriations Subcommittee on General Government at 1:30 PM.	H Apps Gen Govt	Tharinger

SSB 5054		Habitat and recreation lands	Feb 28 Executive action taken in the Senate Committee on Ways & Means at 1:30 PM.	S Rules 2	Honeyford
SSB 5057		Land acquired w/ public funds	Feb 7 Executive action taken in the Senate Committee on Natural Resources & Parks at 1:30 PM.	S Rules 2G	Ericksen
SB 5276		Designated agricultural land	Feb 21 Executive action taken in the Senate Committee on Agriculture and Water & Rural Economic Development at 10:00 AM.	S Rules 2	Hobbs
SSB 5290	HB 1415	Hydroelectric generation	Feb 13 Executive action taken in the Senate Committee on Energy and Environment & Telecommunications at 8:00 AM.	S 2nd Reading	Delvin
SSB 5296		Model toxics control act	Feb 20 Public hearing in the Senate Committee on Ways & Means at 3:30 PM.	S Ways & Means	Ericksen
SB 5424	HB 1579	Paint stewardship	Feb 27 Public hearing in the Senate Committee on Ways & Means at 2:00 PM.	S Ways & Means	Chase
SB 5603		Coastal marine adv. council	Mar 1 Executive action taken in the Senate Committee on Ways & Means at 1:30 PM.	S 2nd Reading	Hatfield
SB 5658		Mercury-containing lights	Feb 21 Executive action taken in the Senate Committee on Energy and Environment & Telecommunications at 1:30 PM.	S Rules 2G	Ericksen
SSB 5663		Derelict & abandoned vessels	Mar 1 Executive action taken in the Senate Committee on Ways & Means at 1:30 PM.	S Rules 2	Pearson
SSB 5679	HB 1591	Agency rule review process	Feb 28 Executive action taken in the Senate Committee on Ways & Means at 1:30 PM.	S Rules 2G	Brown
SSB 5702		Aquatic invasive species	Feb 21 Executive action taken in the Senate Committee on Natural Resources & Parks at 1:30 PM.	S Rules 2	Honeyford
2SSB 5802	HB 1915	Greenhouse gas emissions	Mar 1 Executive action taken in the Senate Committee on Ways & Means at 1:30 PM.	S Rules 2	Ranker
BUDGET LEGISLATION					
HB 1057	SB 5034	Operating budget 2013-2015	Jan 15 Public hearing in the House Committee on Appropriations at 3:30 PM.	H Approps	Hunter
HB 1058	SB 5033	Operating sup budget 2013	Jan 15 Public hearing in the House Committee on Appropriations at 3:30 PM.	H Approps	Hunter
HB 1088	SB 5036	State gen. obligation bonds	Jan 28 Public hearing in the House Committee on Capital Budget at 1:30 PM.	H Cap Budget	Dunshee
HB 1089	SB 5035	Capital budget 2013-2015	Jan 28 Public hearing in the House Committee on Capital Budget at 1:30 PM.	H Cap Budget	Dunshee
HB 1864	SB 5024	Trans budget 2011-13/2013-15		H Trans	Clibborn
SB 5024	HB 1864	Trans budget 2011-13/2013-15		S Transportation	King
SB 5033	HB 1058	Operating sup budget 2013		S Ways & Means	Hill
SB 5034	HB 1057	Operating budget 2013-2015		S Ways & Means	Hill
SB 5035	HB 1089	Capital budget 2013-2015		S Ways & Means	Honeyford
SB 5036	HB 1088	State gen. obligation bonds		S Ways & Means	Honeyford